

Penn Central Officials Acquitted

PHILADELPHIA (AP) — A federal judge has dismissed all charges against two former top Penn Central Transportation Co. officials accused of siphoning \$4 million from the now-defunct railroad.

David C. Bevan, 70, and William R. Gerstnecker, 64, had been charged with moving the funds in 1969 to a corporation in Europe controlled by the late German financier Fidel Gotz.

Two lawyers, brothers Francis N. and Joseph H. Rosenbaum of McLean, Va., remain on trial here on charges related to the financial transaction.

The government maintains the foundation established in the tiny European country of Liechtenstein was controlled by Gotz through the Rosenbaums. Gotz, a wealthy industrialist, died several months ago. He was accused of being a co-conspirator.

The government rested its case Friday evening against Bevan and Gerstnecker. Lawyers for both

said no incriminating evidence had been presented and charges should be dropped.

U.S. District Judge J. William Ditter Jr. dismissed all charges against the two former executives.

Gerstnecker was Penn Central's corporate vice president. Bevan was chief financial officer and chairman of the corporation's finance committee.

The charges stem from a \$10-million equipment loan granted Penn Central in 1969 by a German bank. About \$6 million immediately was used to pay for refurbished railroad equipment.

The government alleged Bevan and Gerstnecker siphoned the other \$4 million into Gotz's foundation, and that Gotz appropriated the money to himself, claiming it was owed him by the railroad.

Neither Bevan nor Gerstnecker was accused of personally appropriating any of the funds.

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